

tion of a conversion fund for the exchange of notes for the second placing certain resources at the command of the Bank of the Nation to aid in carrying out the reform.<sup>1</sup> It was declared flatly in the first of these laws that "the nation will convert the total amount of bills in circulation into gold at the rate of forty-four gold centavos to the paper peso."\* The executive was authorized to give three months' notice of the date and manner of the conversion. The conversion fund was to be constituted from, five per cent, of the additional duties on imports; the profits of the Bank of the Nation; the produce of the sale of the Andine and Toma Railways, and some other special funds.

The Bank of the Nation was made the depository of all these funds as they became available and was to employ them only in exchange operations. It was also to receive deposits of gold at the legal rate and to issue certificates therefor redeemable in gold. Public dues might be paid indifferently in gold or paper at the legal rate. The government took off the hands of the Bank of the Nation \$15,873,700 in bonds of the interior loan of 1891 at the rate of 75 per cent, of par. President Rocca, in his message to Congress in May, 1900, was able to announce that the conversion fund had already reached \$3,200,000, that exchange had become practically fixed, and that the adoption of the rate of 44 centavos on the eve of a large crop had protected the farming and grazing interests from a heavy loss which they would have suffered if exchange had continued to appreciate. He announced at the same time that \$139,260,366 in gold, representing the obligations of the guaranteed banks assumed by the government, had been destroyed within the year as having no further value.<sup>2</sup>

From the opening of the Conversion Office, there was found no difficulty in maintaining fixity of exchange. Gold was imported almost regularly from England, in order to enlarge the circulation of gold notes, to pay for large exports of wool and other Argentine products. Already in the summer of

<sup>1</sup> *Journaliste Europeen*, December 8, 1899, XVI., 709. <sup>2</sup> *Ibid.*, June 29, 1900, XVII., 829.